

**The Village of East Dundee
PRESIDENT AND BOARD OF TRUSTEES
Committee of the Whole
Monday, January 13, 2014
6:00 pm
Village Hall Annex
120 Barrington Ave.
East Dundee, IL 60118**

- I. Roll Call / Declaration of Quorum**

- II. Items for Discussion**
 - A. Fast & Easy Convenience Store - 207 Barrington Ave*

 - B. Ordinance of the Village of East Dundee, Illinois Amending the Definition of the Offense of Sale of Drug Paraphernalia and Adding Exemptions from the Drug Paraphernalia Control Act into the Village's Drug Paraphernalia Regulations*

- III. Other Business**

- IV. Adjournment**

Robert Skurla
Village Manager
120 Barrington Ave.
East Dundee, IL 60118

January 6, 2014

Dear Mr. Skurla,

OTTO Engineering has purchased the building at 207 Barrington Ave. The building is in need of significant renovation to bring it to a condition that will support its use. In the alternative, the building will be torn down which will result in a lost revenue stream of property taxes and lost opportunity revenue from a prosperous retail use.

Asmi Enterprises is interested in creating a convenient store in the building if renovated for that use. They estimate that the store will generate \$500,000 in revenue in its first year of operation and will eventually increase to \$1 million per year. Acquisition costs and renovation cost totals \$560,000. Rental rates in this 4000 sq ft structure will not support that investment.

OTTO expects that the assessed value will increase from \$52,000 to \$135,000 after the renovations. This will increase the property taxes over the 14 remaining years of the TIF by \$140,000. Additionally, retail taxes are expected to exceed \$500,000; \$185,000 of which will flow to the village over the next 10 years. East Dundee will see a revenue increase of \$270,000 in the next 10 years and \$450,000 over the remaining term of the TIF.

The investment includes:

| | |
|---------------------|-----------------|
| Building purchase | \$154,000 |
| Roofing | \$30,000 |
| Flooring | \$15,000 |
| Doors/Windows | \$85,000 |
| Electrical | \$30,000 |
| Plumbing | \$15,000 |
| HVAC | \$20,000 |
| Carpentry | \$60,000 |
| Interior Finishes | \$30,000 |
| Concrete | \$20,000 |
| Demo and misc | <u>\$20,000</u> |
| Subtotal | \$479,000 |
| Façade improvements | <u>\$80,000</u> |
| Total | \$559,000 |

OTTO requests a 30% recapture of the \$479,000 investment with a 5 year claw-back and to remain eligible for participation in the façade grant program. I respectfully request a partnership with the Village to redevelop the property at 207 Barrington Avenue.

Sincerely,

A handwritten signature in black ink that reads "T. Roeser". The signature is written in a cursive style with a large, stylized initial "T" and a clear "Roeser" following.

Tom Roeser
President
OTTO Engineering

Dear Mr. Skurla,

I like to thank you for your time and attention you gave on our meeting last week. As discussed, I showed my interest to open a Convenience/Party Store at Barrington Ave. East Dundee, IL. I have found a property owned by Mr. Tom Roeser, President of OTTO at Barrington Ave. East Dundee, IL. The total area of the building is around 4000 sq. ft.

Business Plan:

This will be a Convenient/Quick Mart located at Barrington Ave. and Meier Road in the East Dundee, IL. There are about 500 homes within the 1 mile radius, and 1000 residential community with 5 miles.

The community requires a C-Store/Party Store, as there is no Store in the vicinity. The closest store in the area is Jewel Osco located at Rt. 72/Higgins or Woodman's at Randall Road. These 2 facilities are considered as the big stores, with long queues and waiting lines. The requirement from the community is a need for a quick stop, where they can stop and go, and buy day to day groceries.

Fast & Easy will host a Convenient Store, which will house day to day groceries, snacks, package liquor (beer, wine and hard liquor) along with party items. We are looking to house groceries and party items, for the families and kids in the neighborhood. During spring & summer the parks behind the facilities, brings lot of foot traffic in the area. The little leagues bring different teams, and the parks have different activities all day long. The parents and kids need refreshments and snacks, and for that Fast & Easy will cater their needs.

We are estimating the following annual sales, along with the sales tax which state will generate:

| Year | 2014 | 2015 | 2016 | 2017 |
|-----------------------|------------|------------|------------|------------|
| Sales | \$ 500,000 | \$ 525,000 | \$ 535,000 | \$ 550,000 |
| IL Sales Tax (Av. 8%) | \$ 40,000 | \$ 42,000 | \$ 42,800 | \$ 44,000 |

The business will generate local employment, which will help the local residents with full or part time employment benefits. We are estimating employment of 6 to 10 people, both full/part time positions. This employment will generate payroll taxes as well for the state.

As the area is improved, we have seen the increase in occupancies in tenancies, which help the properties for upkeeps and development. Fast & Easy will construct the unit into the convenience store. The retail space will be developed and it will increase the real estate value of the unit. The real estate taxes of the unit will increase with the time frame, as the business will establish.

As our intention to start the project this year in 2014, we are asking the Village of East Dundee for Grant and Economic Assistance. Here are some of our estimates for interior work, and we would like the village assistance, both in grants and loans.

Under the Code Compliance Grant Program: Total \$45,000
Upgrading Utilities to Code: \$25,000 for the HVAC duct work.
Upgrading building code compliance: \$20,000 for Grease Trap and Plumbing.
Economic Development Assistance Loan Program: Total \$280,000

- 1. Store Construction: \$55,000**
- 2. Purchase of Machinery & Equipment's: \$85,000**
- 3. Inventory Purchase: \$95,000**
- 4. Working Capital: \$45,000**

Thank you for consideration. I look forward to discuss this further and working together to create a better facility for the community that will benefit us all.

Respectfully

Ahmad Azmi

President
Azmi Enterprises, Inc.
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Ordinance No. _____

AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, ILLINOIS AMENDING THE DEFINITION OF THE OFFENSE OF SALE OF DRUG PARAPHERNALIA AND ADDING EXEMPTIONS FROM THE DRUG PARAPHERNALIA CONTROL ACT INTO THE VILLAGE'S DRUG PARAPHERNALIA REGULATIONS

WHEREAS, the Village of East Dundee (the "*Village*") is a duly organized and validly existing home-rule municipality created in accordance with the Constitution of the State of Illinois of 1970 and the laws of the State; and,

WHEREAS, the Drug Paraphernalia Control Act (720 ILCS 600/1 et seq.) includes offenses and exemptions regarding drug paraphernalia which are not included in the Village's drug paraphernalia regulations; and,

WHEREAS, the Village desires to include those offenses and exemptions as part of the Village's drug paraphernalia regulations.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of East Dundee, Kane and Cook Counties, Illinois, as follows:

Section 1: That the East Dundee Municipal Code, as amended, be and is hereby amended by amending section 133.102(A) to read as follows:

"(A) It shall be unlawful for any person to keep for sale, offer for sale, sell or deliver for any commercial consideration any item of drug paraphernalia."

Section 2: That the East Dundee Municipal Code, as amended, be and is hereby amended by adding section 133.102(C) to read as follows:

"(C) It shall be unlawful for any person to knowingly possess an item of drug paraphernalia with the intent to use it in ingesting, inhaling or otherwise introducing cannabis or a controlled substance into the human body or in preparing cannabis or a controlled substance for that use."

Section 3: That the East Dundee Municipal Code, as amended, be and is hereby amended by adding section 133.103 to read as follows:

"133.103 EXEMPTIONS.

Section 133.102 does not apply to:

- (a) Items used in the preparation, compounding, packaging, labeling, or other use of cannabis or a controlled substance as an incident to lawful research, teaching, or chemical analysis and not for sale.

(b) Items historically and customarily used in connection with the planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, or inhaling of tobacco or any other lawful substance.

Items exempt under this subsection include, but are not limited to, garden hoes, rakes, sickles, baggies, tobacco pipes, and cigarette-rolling papers.

(c) Items which are used for decorative purposes, when such items have been rendered completely inoperable or incapable of being used for any illicit purpose prohibited by this Chapter.

(d) A person who is legally authorized to possess hypodermic syringes or needles under the Hypodermic Syringes and Needles Act.”

Section 4: This Ordinance shall be in full force and effect upon its passage, approval, and publication as provided by law.

Passed this ____ day of _____, 2014.

AYES: _____

NAYS: _____

ABSENT: _____

Approved this ____ day of _____, 2014.

Village President

Attest:

Village Clerk

Published in pamphlet form:

_____, 2014